



State of North Carolina

Office of the State Controller


Michael F. Easley, Governor

Robert L. Powell, State Controller

December 7, 2005

MEMORANDUM

To: Agency Chief Financial Officers
University Vice Chancellors
Community College Business Officers
Local Education Agency Finance Officers

From: Robert L. Powell
State Controller 

Subject: Code of Ethics

Recent financial accounting scandals in the private sector have generated unwanted and unfavorable publicity for accounting professionals. In April 2003, the Public Company Accounting Oversight Board (PCAOB), which was created by the Sarbanes-Oxley Act of 2002, voted to assume responsibility for establishing auditing standards – a responsibility previously held by the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA). Among the responsibilities mandated to the PCAOB in the Sarbanes-Oxley legislation was the responsibility for the development of rules governing ethics, independence and quality control for registered accounting firms. Although the Sarbanes-Oxley legislation and the PCAOB oversight apply to the accounting professionals doing business in the private sector, similar efforts are also starting to occur in the public sector.

The Office of the State Controller believes that its staff, along with all other accounting professionals within the State of North Carolina, serves the public interest in accordance with the highest ethical principles. We believe that the public should reasonably expect that those who serve in government are trustworthy, and that those who serve in government should recognize the obligation to be accountable.

MAILING ADDRESS
1410 Mail Service Center
Raleigh, NC 27699-1410

Telephone: (919) 981-5454
Fax Number: (919) 981-5567
State Courier: 56-50-10
Website: www.ncosc.net

LOCATION
3512 Bush Street
Raleigh, NC

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Although ethics is ultimately a matter of personal responsibility, the Office of the State Controller has adopted a Code of Ethics that is intended to serve as a standard for Chief Financial Officers, as well as all other professionals involved in the accounting and reporting of the State's finances. This Code of Ethics establishes the standard for the minimum levels of expected behavior, and is also intended to serve as a guide for making ethical decisions.

It is my hope that each of you will embrace this Code of Ethics and that you will share it with your staff.

RP/bm

Attachments

cc: The Honorable Michael F. Easley, Governor
The Honorable Beverly M. Perdue, Lieutenant Governor
Senator Marc Basnight, President Pro Tempore
Representative James B. Black, Speaker of the House
The Honorable Leslie W. Merritt, State Auditor
The Honorable Richard H. Moore, State Treasurer
Dr. June St. Clair Atkinson, State Superintendent – Department of Public Instruction
The Honorable H. Martin Lancaster, President – North Carolina Community College System
Ms. Molly C. Broad, President – The University of North Carolina
Mr. E. Norris Tolson, Secretary of Revenue
Ms. Susan Rabon, Office of the Governor – Senior Assistant for Administration
Mr. David T. McCoy, State Budget Officer
Mr. James D. Johnson, Director – Fiscal Research Division, North Carolina General Assembly
University Chancellors
Community College Presidents
Agency Chief Executive Officers
Superintendents